This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS ROME 003990

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: EAIR KTIA IT AVIATION FAA SUBJECT: CIVAIR: ITALY STAYS FIRM ON LINATE CODESHARE

RESTRICTIONS

REF: A. SECSTATE 213659 ¶B. ROME 3262 1C. ROME 1846

Sensitive but Unclassified -- Not for Internet Publication

- $\P1$. (U) Acting Ecmin, Econoff and Econ FSN met October 8 with Aldo Sansone, Director General for Civil Aviation in the Ministry of Transportation, to deliver Ref A follow-on demarche regarding Italian refusal to allow U.S. carriers to conduct third-country code-share operations between the U.S. and Milan's Linate Airport. Despite the arguments laid out in the nonpaper (which we delivered to Sansone in advance of the meeting), Sansone stuck firmly to Italy's previous position (ref B).
- 12. (U) Sansone maintained that a U.S. codeshare arrangement via a third European city would violate the ban on intercontinental traffic at Linate Airport. He argued that this ban on codesharing in and out of Linate for one leg of an inter-continental flight does not conflict with the U.S.-Italy bilateral Open Skies agreement because, according to Sansone, the accord only guarantees access to individual "points" (cities) rather than specific airports. However, he admitted that the wording in the bilateral agreement on this question is confusing and could be open for review.
- 13. (U) A/Ecmin pointed out that Alitalia and Air France had advertised their codeshare arrangement from Linate via Paris as a trans-Atlantic service of exactly the kind Italy was denying to U.S. carriers. Sansone said his office would once again examine how Alitalia and Air France were advertising these flights, but underscored that the Ministry considered the Alitalia-Air France arrangement to be simply a code-share on an intra-EU Milan-Paris flight.
- ${\bf 14.}$ (U) Sansone had no substantive comment when A/Ecmin noted that the continued existence of a discriminatory regime at Linate could lead the U.S. to take countermeasures. We emphasized that the U.S. continued to hope that such a development could be avoided.
- 15. (SBU) Comment: We believe the GOI is sticking by its guns (despite the double standard on the Alitalia-Air France code share) because Italian authorities fear that more codesharing will further drain traffic from Milan's Malpensa airport, the designated airport for inter-continental traffic (and also much farther from Milan than Linate Airport). The GOI also has an interest in maintaining Alitalia's competitive advantage in Milan at a time when Italy's flag carrier is restructuring after a brush with bankruptcy last month. Given the GOI's currently intransigent position, Washington officials may wish to consider a face-to-face meeting with Sansone to attempt to reach an understanding on the issue. End comment.

SEMBLER

NNNN

2004ROME03990 - Classification: UNCLASSIFIED